

## RURAL MOVEMENT BROADCAST

16th September, 1953.

Last week the subject of the Co-operative Movement was dealt with at length with special reference to Credit Societies. The fact that the Catholic Rural Movement is interested in the formation of Credit Societies was emphasized.

This week we continue much in the same theme with our broadcast falling roughly into two equal sections. The first deals with co-operation in farming in Britain and on the Continent. The second half refers to an extremely interesting book published a few years ago but still worth reading.

The value of credit societies is well recognised in Britain. The volume of business done by farmers' co-operative societies has grown rapidly since the war and the value is now well over £100 m. a year. But the range of services performed is much less varied than in Denmark, Holland, France, and Germany.

In all the principal activities we are lacking in machinery, fertilisers, and the chemicals which are so much needed. Lack of capital has developed more slowly and so has the processing of primary products. The reason for this is largely to be found in the lack of a credit system. Most farmers in England and Wales are small men, two-thirds of them operating holdings of less than 100 acres. If production is to be substantially increased it is mainly to them we must look, and it is they who most need credit and who can benefit most from cooperation.

Many Continental peasants own their own land and they have to find the fixed and working capital for current operations as well as for new developments. Those who administer the agricultural credit systems

are concerned not so much with profit as the use of their funds to help farmers to increase production and improve efficiency. They are able to concentrate on the highly technical requirements of the industry, they become expert in assessing the soundness or otherwise of proposals for loans, and get to know the capability and reliability of the individual farmer.

There is a fundamental difference between the approach of the agricultural credit organization and that of a bank. Banks are and must be primarily commercial concerns operating for profit, however sympathetic the bank manager may be to the needs of his clients. The considerations must be whether the applicant is credit-worthy, whether there is adequate security, and whether the proposal offers an advantageous way for the bank to employ its funds.

It is not true that the British farmer is more resistant than the Continental farmer to the practice of cooperation. In no country in the world is the habit more widely and deeply ingrained than in England of doing things by voluntary cooperation through committees and groups constituted to achieve some special purpose. In fact, the individualist characteristics of the British farmer are more or less common to farmers all over the world.

If the Danes have evolved an admirable system of cooperation it is largely because, when threatened with national economic disaster, they had the wisdom to see that it contained the secret of their survival as a people. They have created the highly organized system under which every Danish farmer, if he is to survive economically, must be a member of several cooperative societies, each of which specializes in some form of service.

In Holland necessity also made farmers cooperate, and agriculture was in urgent need of capital, but offered little attraction for investment; so a scheme was started for farmers themselves to contribute what they could, first to a local and then to a central fund, from which loans could be made to individual members of the group. From small beginnings a vast structure has been built, and the credit scheme became the principal fertilizing agency of Dutch agriculture. It developed without assistance from the banks or the Government.

There have been similar developments in Germany, Belgium and Italy, each illustrating the benefit to the farmer and the agricultural industry as a whole of concerted action both in the provision of services and of credit. In France the Government was largely responsible for launching the credit scheme, but as time has gone on the proportion of the total funds provided from the agricultural industry itself has risen, while that from the Bank of France has diminished.

Here, broadly speaking, is the difference between the cooperative movements in Britain and in most other countries. Britain has no comprehensive scheme of agricultural credit. The other countries have, and it is the source from which energy is injected into the cooperative movement and through it into agriculture.

As was pointed out last week Australia badly needs an extension of agricultural credit facilities. The current prosperity of farmers in general in no way invalidates that need. If anything, it will prove of great benefit to any moves designed to form cooperatives and credit unions.

As indicated earlier the latter portion of this broadcast deal with a book.

Years ago someone said to me: "You must read 'Paddy the Cope'."

It sounded a rather intriguing title, and one that sticks easily in the memory. So, when a friend asked me last week whether I'd like to read "Paddy the Cope" before he returned it to the library I grabbed it without further ado.

"Paddy the Cope" is the autobiography of one Patrick Gallagher an Irishman of considerable charm and ability.

The word "Cope" is an abbreviation of the word 'co-operative', and Patrick Gallagher's story centres around the formation and subsequent growth of a cooperative.

The author was born on Christmas Day, 1872, in Glenties, a townland on a top of mountain on the west coast of Donegal. His father owned 20 acres of land, 18 of them hill mountain. There were 25 families in the district, and they were all on the same level of economic status, which is another way of saying they all shared the same sharp, gaunt poverty.

Patrick Gallagher paints an amazing picture of that youthful world of his. Despite its poverty, there was great happiness and greater faith, and much singing and dancing and story-telling in the nightly airseal - a gathering together of all families in one or other of the district homes.

Every year during the summer the young people went off to seek work in better districts, or even across to Scotland.

It is in Scotland that young Patrick first encountered the co-operative movement. The germ of an idea sown then was destined to

have momentous results for the inhabitants of Cleendra and neighbouring towns.

This is a homely story with a uniquely genuine quality about it. When Paddy decides to form a local cooperative, he runs into all sorts of difficulties and problems. He becomes an object of hate and suspicion on the part of those who have a vested interest in the existing status quo. He even lands in gaol on a trumped-up charge. From its tiny beginnings and battling against tremendous odds, the cooperative gradually weathers the storms, with the pugnacious, ever-resourceful Paddy at its helm.

There is a fleeting glimpse of the conditions prevailing during the extremely difficult postwar years, with blood flowing freely. But through it all Paddy pushes his beloved 'Coop', fostering and building it, encouraging local industry, taking trips to Scotland, England, and America to develop trade and open up markets for their local products.

It all adds up to a rather remarkable story, which goes a long way to transforming one barren, poverty-stricken little corner of Ireland into a stronger, more self-reliant, industrious community.

It is a story well worth reading and if anyone offers to lend you a copy of 'Paddy the Cooper' by Patrick Gallagher do not hesitate to grab it with both hands.

Those of Irish descent will not be able to resist the vivid descriptions of people and places. Others will still find the factual story of an experiment in cooperation something to inspire them.

One point cannot be stressed too much. It is that the well founded, long established principles of the cooperative movement still hold good, and are just as applicable to the Australian scene as any other. Australian country people should be in the forefront of any move to extend the spirit of co-operation in every possible direction.